

Department of Public Health
and Human Services

Section:
CASE MANAGEMENT

FOOD STAMP PROGRAM

Subject:
Non-Compliance Adjustment

Supersedes: FS 602-5 (04/01/03); Bulletin FS 47 (10/05/06)

References: 7 CFR 273.11(j)

► GENERAL RULE -- When benefits are reduced under a federal, state, or local means-tested public assistance program because a food stamp household member did not perform an action required under the assistance program or for fraud, the household's food stamp benefits cannot be increased.

Means-tested programs include: TANF Cash Assistance, Tribal TANF, or BIA Tribal Assistance.

WHEN TO APPLY ADJUSTMENT

The non-compliance adjustment is only applicable when the household member who committed the non-compliance was receiving the other assistance program's benefit and food stamp benefits at the time of the non-compliance. The non-compliance must meet one of the following:

1. A behavioral requirement in the assistance program designed to improve the well-being of the family, such as participating in job search activities. For example, failure to comply with the TANF Family Investment Agreement (FIA)/WoRC Employability Plan (EP) resulting in a sanction; or,

► **Example 1:** Household consists of mom and two children. WoRC recommends a TANF sanction on October 10th. The OPA Case Manager imposes the sanction, changes TANF TEAMS SEPA coding to DQ/SN, de-authorizes TANF for November, and sends A741 notice to the household. The OPA Case Manager removes TANF from the food stamp budget for November and must send the F803 increase notice to the household because it is unknown at the time of the sanction recommendation if:

1. Mom will negotiate and agree to comply with a new FIA/EP in October for the sanction month of November to receive the reduced TANF grant amount; or,

2. The TANF case will close because mom did not negotiate and agree to comply with a new FIA/EP in October for the sanction month of November.

If the OPA Case Manager is unable to remove the TANF income from the food stamp budget, he/she may need to use the 'AF' code on EXPE to zero out the income, and set an alert to remove the 'AF' expense code the following month.

If mom negotiates and agrees to comply with a new FIA/EP and TANF is authorized in time for timely notice of adverse action for November benefits, the non-compliance adjustment is coded 'OF' on UNIN against mom for November. Food stamp benefits are decreased and timely notice of adverse action must be sent to the household. The OPA Case Manager sets an alert to remove the non-compliance adjustment for December. If mom negotiates and agrees to comply with a new FIA/EP and TANF is authorized after timely notice of adverse action can be sent to the household, the non-compliance adjustment is not used. Food stamp benefits are not decreased for November.

If mom does not negotiate a FIA/EP in the sanction month of November for December, the TANF case is closed and a TANF ineligibility month imposed for January. The non-compliance adjustment is the TANF grant for a household size of 3 for the month of January coded 'OF' on UNIN. The OPA Case Manager sets an alert to remove the non-compliance adjustment for February.



Example 2:

Household consists of mom, stepfather, and two children. WoRC recommends TANF sanction for mom and stepfather on October 10th. The OPA Case Manager imposes the sanction, changes TANF TEAMS SEPA coding to DQ/SN, de-authorizes TANF for November, and sends A740 and A741 notices to the household.

The OPA Case Manager removes TANF from the food stamp budget for November and must send the F803 increase notice to the household

because it is unknown at the time of the sanction recommendation if:

1. Mom will negotiate and agree to comply with a new FIA/EP in October for the sanction month of November to receive the reduced TANF grant amount; or,
2. The TANF case will close because mom did not negotiate and agree to comply with a new FIA/EP in October for the sanction month of November.

If the OPA Case Manager is unable to remove the TANF income from the food stamp budget, he/she may need to use the 'AF' code on EXPE to zero out the income, and set an alert to remove the 'AF' expense code the following month.

If mom negotiates and agrees to comply with a new FIA/EP and TANF is authorized in time for timely notice of adverse action for November benefits, the non-compliance adjustment for mom and stepfather is coded 'OF' on UNIN for November against mom and stepfather. Food stamp benefits are decreased and timely notice must be sent to the household. The OPA Case Manager sets an alert to remove the non-compliance adjustment for December. If mom negotiates and agrees to comply with a new FIA/EP and TANF is authorized after timely notice, food stamp benefits are not decreased for November.



Example 3:

Household consists of mom and two children. WoRC requests TANF closure October 10th for no signed FIA/EP. The OPA Case Manager de-authorizes TANF for November, and sends A607 notice within 24 hours. The OPA Case Manager removes TANF from the food stamp budget for November and must send the F803 increase notice to the household because it is unknown at the time WoRC requests closure if:

1. Mom will sign the FIA/EP; or,

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2. The TANF case will close because mom did not sign a FIA/EP.

If the OPA Case Manager is unable to remove the TANF income from the food stamp budget, he/she may need to use the 'AF' code on EXPE to zero out the income and set an alert to remove the 'AF' expense code the following month.

If mom signs the FIA/EP and TANF is authorized in time for timely notice of adverse action for November benefits, food stamp benefits are decreased with timely notice. If mom does sign the FIA/EP and TANF is authorized after timely notice of adverse action can be sent to the household, food stamp benefits are not decreased for November.

2. The means-tested program is reduced due to repayment of the assistance grant as a result of not taking a required action other than a procedural requirement (see #3 below) of the other assistance program.

► **NOTE:** The non-compliance adjustment is applied when there is a TANF disqualification for an Intentional Program Violation (IPV).

WHEN NOT TO APPLY ADJUSTMENT

The non-compliance adjustment is not applied when:

1. The non-compliance occurs at the time of initial application or when a new member is added to the household.

EXCEPTION: If the new household member is serving a sanction that was imposed while certified to receive food stamps and the other assistance program's benefits, the non-compliance adjustment is applied to the new household; or,

If the new member has a repayment due to not taking a required action (other than a procedural requirement) that will reduce the household's current grant amount, the gross assistance grant amount must be used in the food stamp budget.

Example:

Dad and child are open on TANF and food stamps in April; mom and another child are open on TANF and food stamps in a separate case for April. Dad is sanctioned for May due to non-compliance with his FIA/EP. Dad and mom reconcile and the households are combined for May. Since dad is sanctioned for May, the non-compliance adjustment must be applied to the new combined case.

2. The disqualification is not a result of non-compliance with the assistance program requirements; e.g., probation/parole violation or ineligible alien, etc.
3. The disqualification is due to a procedural requirement that an individual must take to continue receiving benefits in the assistance program such as, submitting a program form or providing verification of circumstances.

**NON-COMPLIANCE
ADJUSTMENT FOR
DISQUALIFICATION**

The non-compliance adjustment amount for a program disqualification is the difference between the grant amount prior to the disqualification and the grant amount after the disqualification.

Example: Household consists of mom, dad and two children. Dad fails to complete FIA/EP activities resulting in a TANF sanction for April. The household's TANF grant amount is reduced from \$532 to \$442. For April, \$90 must be entered on the UNIN screen coded 'OF'.

**NON-COMPLIANCE
ADJUSTMENT
PROCESS FOR
REPAYMENT**

Use the following steps to assure the correct food stamp allotment is issued during an assistance program reduction due to a repayment as a result of not taking a required action in the assistance program (other than a procedural requirement).

First, determine what caused the repayment.

For **Tribal TANF, or BIA Tribal Assistance**, contact the appropriate agency to determine if the repayment is due to failure to comply with a program requirement (other than a procedural requirement). If so, enter the gross assistance payment amount on the UNIN screen using the appropriate income code.

For **TANF**, if the recoupment is due to failure to comply with TANF requirements, enter the difference between the gross and net benefit as 'OF' on the UNIN screen. If the repayment is due to an agency-caused

error or a procedural requirement, continue to use the net TANF benefit amount.

Document TEAMS case notes and send appropriate notices.

ONGOING NON-COMPLIANCE ADJUSTMENT

When the repayment amount from the TANF program changes, the corresponding 'OF' amount must also change to assure the gross assistance payment amount is being counted in the food stamp budgeting process. For other assistance programs, continue to use the gross benefit amount with the appropriate income code.

The non-compliance adjustment is not changed when it is due to a program sanction. The 'OF' adjustment amount is only redetermined if initially determined in error or when a sanctioned individual moves out of the food stamp household during a sanction penalty period.

NOTE: The non-compliance adjustment is **not** redetermined when a child moves in or out of the food stamp household or annually when TANF benefit standards are updated.

DURATION OF PROCESS FOR ADJUSTMENT

Due to TANF, Tribal TANF or BIA Tribal Assistance grant reduction: Non-compliance adjustment continues as long as the assistance program grant is being reduced for a repayment caused by not taking a required action other than a procedural requirement.

Due to program disqualification: As long as the program assistance case remains open **and** the individual remains **disqualified** due to a sanction disqualification, the non-compliance adjustment must continue.

EXCEPTION: The non-compliance adjustment continues if the other assistance program's disqualification continues after closure. For example, the TANF one-month ineligibility period.



Example: Household consists of mom, stepfather, and two children. WoRC recommends TANF sanction for stepfather on October 10th. The OPA Case Manager imposes the sanction, changes TANF TEAMS SEPA coding to DQ/SN, de-authorizes TANF for November, and sends A740 notice to the household.

The TANF grant for November is a household size of 3 and there is a

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non-compliance adjustment for him coded 'OF' on UNIN for November. The OPA Case Manager uses the TANF grant for household size of 4 in the food stamp budget for November.

If he negotiates and complies with new FIA/EP for December, the OPA Case Manager removes the non-compliance adjustment for December. If he does not negotiate and agree to comply with a new FIA/EP for December, the TANF case is closed and a TANF ineligibility month imposed for December. The non-compliance adjustment is the TANF grant for a household size of 4 for the month of December coded 'OF' on UNIN. The OPA Case Manager sets an alert to remove the non-compliance adjustment for January.

**RE-APPLICATION
DURING
PENALTY
PERIOD**

The non-compliance adjustment would apply at application if a previous sanction disqualification period is imposed again.

Example: Mom, dad and two children receive TANF. Dad does not comply with his FIA/EP and a sanction is imposed for April. Mom requests case closed March 31st. On April 10th the household reapplies. Dad must serve the TANF sanction for April, therefore, the non-compliance adjustment is imposed for April by including the non-compliance adjustment amount on the UNIN screen as 'OF'.

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